

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: OCCUPANCY TAX COORDINATION

DATE: SEPTEMBER 2, 2015

COMMITTEE MEMBERS PRESENT:

SUPERVISORS: KENNY
MERLINO
CONOVER
DICKINSON
FRASIER
SIMPSON
STROUGH

OTHERS PRESENT:

KEVIN B. GERAGHTY, CHAIRMAN OF THE BOARD
PAUL DUSEK, COUNTY ADMINISTRATOR
MARTIN AUFFREDOU, COUNTY ATTORNEY
AMANDA ALLEN, CLERK OF THE BOARD
FRANK E. THOMAS, BUDGET OFFICER
SUPERVISORS BEATY
BROCK
MCDEVITT
SEEBER
TAYLOR
WOOD
DON LEHMAN, *THE POST STAR*
SARAH MCLENITHAN, DEPUTY CLERK OF THE BOARD
PLEASE SEE ATTACHED LIST FOR ADDITIONAL ATTENDEES

Mr. Kenny called the meeting of the Occupancy Tax Coordination Committee to order at 10:08 a.m.

Motion was made by Mr. Strough, seconded by Mr. Conover and carried unanimously to approve the minutes of the previous Committee meeting, subject to Correction by the Clerk of the Board.

Privilege of the floor was extended to Michael R. Swan, *County Treasurer*, who distributed copies of the Occupancy Tax Report to the Committee members, a copy of which is on file with the meeting minutes. Commencing the review of the Report, Mr. Swan pointed out a 1.15% increase in revenues as compared to last year at this time. He mentioned that, as he had previously indicated at the last Committee meeting, he was not too concerned with this small increase because most of Warren County's businesses reported revenues quarterly and therefore they would not see the influx of revenues for the summer months until September. Mr. Swan then outlined the remainder of the Report, noting the balances remaining in the "Warren County Projects" account as being \$46,000 after the deduction of \$25,000 for the traffic study that was approved at the last meeting.

Prior to receiving the report from the ACCC (*Adirondack Civic Center Coalition*), Mr. Kenny introduced Jeff Mead, who had recently been hired as the new Facilities Manager for the Civic Center. Supervisor Kenny apprised that he was familiar with Mr. Mead as had worked with his father in his prior occupation with the United States Postal Service where he had served as the Union President and Mr. Mead's father had been the Union's Secretary/Treasurer.

Privilege of the floor was extended to Elizabeth Mahoney, *of the ACCC*, who apprised the members of the ACCC were pleased to be working with Mr. Mead. She advised Mr. Mead had already provided them with new ideas and had booked a block party and concert in the short amount of time since he commenced his employment, about six weeks ago.

Ms. Mahoney advised that although it was not included in the reports, she felt it was pertinent to notify the Committee that through Mr. Mead's efforts they had recently decided to cease their affiliation with

Ovations, the Food and Beverage supplier for the Civic Center. She stated this would amount to a huge savings, as they would be assuming the job of providing the food and beverages for the facility internally. She pointed out this meant the majority of the profits accumulated from food and beverage sales for events would go directly to the ACCC.

Ms. Mahoney stated she had submitted the revised first quarter report which included suggestions made by Martin Auffredou, *County Attorney*, as well as the second quarter Performance Report together with a list of upcoming events for the next quarter which covered July through September. She pointed out they had booked additional events that were not included on the list provided, such as a block party which would be combined with a concert in October. She stated there were currently six events included in the report, but noted that list had grown since she submitted it.

Ms. Mahoney stated they used about \$45,076 in occupancy tax funding for the first quarter of 2015 and \$191,300 for the second quarter. She explained that in preparing the reports she calculated the expenses for all of their events, incorporating what they were permitted to use as per the spending guidelines from the occupancy tax reports, and matched them up as best as she could. She reported they had significant expenses for performances and events that were not included on the report. She requested that she be notified if it was determined any of the expenditures listed were inappropriate to be spending occupancy tax funds on, as she was willing to discuss and make adjustments if necessary.

Mr. Simpson requested that event revenues be included in future reports. He mentioned this would assist with determining what type of progress they were making by comparing the revenues versus the expenses. Ms. Mahoney asked if this was intended to see whether they were making a profit and Mr. Simpson responded he just wanted to see whether they were making any progress in increasing their revenues. Ms. Mahoney advised she had prepared the reports strictly using the guidelines set by the agreement the ACCC had in place with the County; therefore, she said, she had not listed revenues because this facet had not been included in the requirements. That said, she indicated they could certainly provide status updates on their progress. She noted the majority of the contracts in place for this year were negotiated by the former operator Global Spectrum and they were bound by the terms included in those contracts. She continued, moving forward since Mr. Mead's arrival they had been able to negotiate all of the terms themselves. She noted a number of the fees they paid to promoters, performers, etc. were decreasing which would result in drastically different revenue accumulations for future events. She informed she did not have the revenue figures readily available to provide today, but said in the future she would be happy to provide this information to the Committee. She remarked the bottom line as it stood right now was not great, as they had to pay out to a number of vendors. She stated they had done well with beer and liquor sales; however, she noted, a large portion of that profit had been allocated to Ovations, or Global Spectrum, etc.

Mr. Beaty questioned whether Ms. Mahoney could provide an estimate as to what the increase in revenue would be now that they had taken over managing the food and beverage for the facility. Mr. Mead advised they would no longer have to pay Ovations a management fee every month to be at the facility which included a number of their staff members, operating expenses, telephone bill, etc. He said the plan was to hire someone to manage food and beverage administration for the facility internally. He added they would also no longer be required to pay Ovations the 10% of the gross sales or the 6% fee from net sales. He remarked he felt the increase in revenue would be substantial as they were lowering their expenses by a considerable amount. Mr. Beaty asked whether Mr. Mead could provide a ballpark figure as to what the additional revenue would be as compared to last year and Mr. Mead replied he would estimate it to be in the range of \$100,000 to \$150,000 a year.

Mr. McDevitt advised there had been reports that the Governor would be providing additional funding to the Civic Center and he asked whether they could provide any additional information on this. Ms. Mahoney apprised she had heard the same reports Mr. McDevitt referred to; however, she noted, she did not have any official documentation that this would occur. She reminded the Committee they were in the process of being awarded a grant to perform renovations, system upgrades, etc. She noted this funding would not be used to attract additional performers or pay for food and beverage operations. She remarked they would welcome any additional funding, as they had a laundry list of items they would like to take care of if they were to receive the funding from the Governor's Office; however, she said, at this point there was no definitive indication that the money would be forthcoming.

Mr. Conover apprised he felt it was necessary for the ACCC to provide the County with a report that reflected how they planned on sustaining the Civic Center after the three-year funding commitment from the County ceased. Ms. Mahoney stated she would be happy to provide that information to the Committee at future meetings. She pointed out a large amount of the occupancy tax funding provided was allocated to the performers. She indicated if they could acquire a large sponsor to take over that expense it would assist them in becoming more self-sustaining. Mr. Conover commented he felt this information would be beneficial, as it would display how everything was coming together.

Mr. Auffredou pointed out he had noticed in the report that the performers "Godsmack" had a guarantee of what they would be paid for their performance and he questioned whether guarantees were typically offered to performers irrespective of the receipts that may be generated. Ms. Mahoney explained that the majority of performers did require a guarantee for what they would be paid for their performance, especially the big headliner acts. Mr. Auffredou commented that the guaranteed amount paid to Godsmack was a substantial figure. Mr. Mead interjected that big headlining acts, such as Godsmack, always required a guaranteed amount in order to book them. He noted that these amounts ranged from \$30,000 to \$250,000 for a smaller venue like the Civic Center depending on the artist; he added that larger venues paid up to \$1 million for performers to book a show at their facility.

Ms. Seeber queried whether there was anyway the report could be distributed to the Board members who were not on the Committee so they could review it, as well, and Mr. Auffredou replied affirmatively, explaining he had distributed hard copies of the report to the Committee members at their last meeting. He continued that in the future he would distribute the quarterly reports via email to the full Board.

Ms. Mahoney thanked the Committee for their suggestions and advised she would be include the information they requested today in the next report.

Mr. Dickinson entered the meeting at 10:25 a.m.

Mr. Conover thanked the members of the ACCC for attending the meetings and providing the reports to them, as he felt it assisted the County in understanding the successes they had thus far, the challenges that lay ahead and how they would be resolved.

Mr. Dickinson questioned whether the basketball tournament had been discussed. Mr. Mead advised they had submitted the bid last week to host the basketball tournament for the public schools for the next three years. He said the two other venues that submitted bids were the Tines Union Center in Albany, New York and the Floyd L. Maines Veterans Memorial Arena in Binghamton, New York. He

apprised that they would be making their formal presentation on September 25th for the event which the Civic Center had hosted for over 30 years. He added they were also bidding on the Federation Tournament that they had not hosted in a few years. He stated they were hopeful they would be securing the contract to host both of these events. Mr. Dickinson asked whether there was anything the Board could do to assist them with the process, and Ms. Mahoney replied she would relay that question to Doug Kenyon, *of the ACCC*, as he would be putting on the presentation later this month. Mr. Dickinson asked Ms. Mahoney to have Mr. Kenyon contact him directly on this matter. Mr. Mead commented that any assistance was welcomed, as the event had a history of success for the facility and they would like to ensure they continued to be the host of it.

Ms. Mahoney requested approval of the payment to the ACCC for the third quarter projected expenses/balance of the contract with the County for occupancy funds in the amount of \$83,900.

Motion was made by Mr. Simpson, seconded by Mr. Strough and carried unanimously to approve the request as presented.

Kevin Markham, *representing the Ramada Inn*, apprised in previous years when proposals for the basketball tournament were submitted lodging rates from the local hotels were included. He noted at one point the hoteliers had to lower their rates to ensure they were competitive with the rates charged in Binghamton, New York or they would have jeopardized losing the tournament to that arena. He said he had not been contacted for lodging rates for this year's bid and he found this troublesome as he was usually one of the partners. Mr. Mead asked Mr. Markham which hotel he represented and Mr. Markham replied he worked for the Ramada Inn. He added he was aware that the Queensbury Hotel had not been contacted for this information either. Mr. Mead apprised that the Queensbury Hotel had placed a bid, as well as the Fort William Henry. He informed that Mr. Kenyon was handling this matter and advised he could have Mr. Kenyon contact Mr. Markham; Mr. Markham replied he would contact Mr. Kenyon himself. Mr. Mead added that the lodging rates were included as part of the bid submitted to host the basketball tournament.

Michael Consuelo, *Executive Director of the Lake George chamber of Commerce and CVB*, stated he would like to welcome Mr. Mead to the area. He explained a function of the CVB was to market the area for special events and he said he believed they were very effective at marketing the area and the special events offered here with the understanding that they had quite a few venues to promote, of which one was the Civic Center. He cordially invited Mr. Mead to arrange a time to meet with them so they could better explain the services provided by the CVB. Mr. Mead remarked that he had met with a representative of their organization at which time he was invited to meet with other CVB representatives in September or October. He stated he was looking forward to this meeting.

As there was no further business to come before the Occupancy Tax Coordination Committee, on motion made by Mr. Conover and seconded by Mrs. Frasier, Mr. Kenny adjourned the meeting at 10:31 a.m.

Respectfully submitted,
Sarah McLenithan, Deputy Clerk of the Board